

HOUSE BILL 1858

By Strader

AN ACT to amend Tennessee Code Annotated, Title 5,  
Chapter 8, relative to the investment of funds.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 5-8-301(b)(5)(A)(ii), is amended by deleting the subdivision in its entirety and by substituting instead the following:

(ii) Bonds, notes or other obligations of any county or municipal corporation or instrumentality thereof of this state, including bonds, notes or other obligations payable from revenues, but expressly excluding bonds of any road, levee or drainage district; and

SECTION 2. Tennessee Code Annotated, Section 5-8-301(b), is amended by adding the following new subdivision (8):

(8) Non-convertible debt securities rated in the highest category by at least one (1) nationally recognized rating service of any student loan marketing association or student loan nonprofit public-benefit corporation operating as a Section 150(d) corporation under the Internal Revenue Code of 1986, as amended, that either originates or purchases loans under the Federal Higher Education Act of 1965, as amended.

SECTION 3. Tennessee Code Annotated, Section 5-8-301(c)(2), is amended by adding the following sentence at the end of the subdivision:

Notwithstanding the foregoing, such investments may have a maturity of greater than two (2) years and greater than five (5) years from the date of investment, if the obligation represented by such investment may be tendered by the holder to the issuer or an agent of the issuer, or may be submitted by the holder to be sold pursuant to auction

procedures applicable to such investments, at least annually, without the approval of an investment committee.

SECTION 4. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to that end, the provisions of this act are declared severable.

SECTION 5. This act shall take effect upon becoming a law, the public welfare requiring it.